

The complaint

Mrs P complains Santander UK Plc allowed a business account to go severely overdrawn and is holding her jointly liable for the balance despite being told that she's been the victim of domestic and economic abuse.

What happened

Mrs P is one of two signatories on a business account held with Santander – a business who I'll refer to as "A". The other signatory is her now ex-husband. They also have joint personal and business accounts with another bank who I'll refer to as "B" throughout the rest of this decision.

Mrs P says she got married to her now ex-husband in 2001 and shortly after doing so they started working together as self-employed individuals. She says they ran a business together as a 50 / 50 partnership but never drew up a formal partnership agreement. She says they opened a joint personal account with B when they got married and later on, in order to keep their personal and business finances separate, they opened a joint business account. She says they'd draw money from the joint business accounts to their personal accounts in order to cover living expenses. The business had an account with Santander too in relation to which they were both signatories.

Mrs P says she stopped working for the business in 2010 shortly before giving birth to their first child. She says that she had no day-to-day involvement with the running of the business from that point on. And that her now ex-husband stopped consulting her on work decisions – before they made most work decisions together. Mrs P says that she felt cut out of the business and uncomfortable still being a partner but decided to remain a "silent partner" because she trusted her now ex-husband to run things in the best interests of their family.

Mrs P says she let her husband took control of their finances – business and personal – after she gave birth. She says she trusted him completely to safeguard their family's financial security. Mrs P also says that she had problems with depression and anxiety throughout her married life – made worse by having to deal with finances. So, she stopped monitoring their finances shortly after stepping back. She says that she didn't monitor what was going on for over a decade because of this.

Mrs P says that she began to suspect that there might be a problem with the family's finances in 2022. Ultimately she ended up speaking to Santander and B. She says she discovered that her now ex-husband had built up significant debts, had been committing fraud and was possibly involved in money laundering as a result. In short, after separating, Mrs P says she discovered that her now ex-husband had been economically abusing her for years. They've since divorced and her ex-husband has been charged with a number of fraud and dishonesty offences. Those offences include taking out over £200,000 in loans having forged Mrs P's signature and having used her ID without her consent.

Mrs P contacted Santander about the size of the overdraft and asked for a copy of the overdraft application to see who had applied and signed for it – the police were already investigating her ex-husband for forging her signature in relation to the loans I've just

mentioned. Mrs P says Santander told her that it was unable to find the application and that she was jointly liable for the debt.

Santander looked into Mrs P's complaint and said that its records showed the overdraft was applied to the business account prior to 2014 and statements and renewal letters had been sent since then. In addition, Santander said that its records contained a letter from her in March 2023 informing Santander that she'd resigned from the partnership in January of that year. Santander said that as the account was a partnership it wasn't possible to remove her from the account, and that partners are jointly liable for business debts.

Mrs P complained to us – about Santander and B – saying that both businesses' responses had been poor. She told us that the amount of debt she was now in was severely affecting her health and had caused her to have a mental breakdown.

One of our investigators looked into both complaints and asked both businesses to consider not pursuing Mrs P for the outstanding balances on the joint accounts given the extensive evidence that she'd been the victim of economic abuse, including the charging of her now ex-husband with a number of fraud and dishonesty offences. Both businesses declined.

Having unsuccessfully attempted to mediate, our investigator said that Mrs P would be liable for any partnership debts so it wasn't unfair of Santander to hold her liable for the balance owed. They also said that they couldn't say Santander ought to have identified the fact that Mrs P was at risk of financial harm. In the circumstances, they couldn't say that Santander ought to have done more to prevent Mrs P's ex-husband from accruing the debt he did. So, they couldn't say that this complaint ought to be upheld. Our investigator did, however, say that they trusted Santander would going forwards ensure it offered Mrs P financial support whilst pursuing repayment of the debt in line with the standards of lending practice.

Mrs P didn't agree with our investigator's recommendation and asked for her complaint to be referred to an ombudsman for a decision. She said, amongst other things, that she was now in possession of a court order in which her now ex-husband had indemnified her from all debts accrued by the business. She said that if Santander continued to pursue her for the debt this would not only disregard the court's decision, but also perpetuate the undue stress and financial burden she's been under due to her ex-husband's fraudulent activities. Her complaint was, as a result, passed to me.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mrs P has shared a considerable amount of evidence with us, and we've shared some of this evidence with Santander and B. I'm satisfied, based on the evidence that Mrs P has shared with us, that Mrs P has struggled with anxiety and depression for most of her married life, that finances often make her anxious and that she, therefore, trusted her now ex-husband to take control of their finances after she gave birth to their first child. I'm also satisfied that Mrs P stopped monitoring their finances around a decade ago, trusting that her now ex-husband was looking after her, for the reasons I've just given. He didn't look after her. Quite the opposite, I'm satisfied that her now ex-husband took advantage of her. Notwithstanding that, I agree with our investigator that there was nothing to alert Santander to this before Mrs P contacted Santander to say she'd been the victim of economic abuse. I can understand why Mrs P wanted Santander to send her a copy of the application that led to the large overdraft she discovered – given that she'd just discovered her ex-husband had applied for loans and forged her signature – so she could see, amongst other things, who signed for it. But I can see that Santander wasn't able to provide this as the overdraft had

been in place for over 10 years.

Mrs P has shared a considerable amount of evidence with us as I've already mentioned. Following my involvement, she's shared evidence of the order the court dealing with her and her ex-husband's divorce has made in relation to their respective finances and other evidence relating to the business they jointly owned. I can see that the order says Mrs P's ex-husband has to indemnify her in relation to the debts of the business they jointly owned. Whilst it's clear from the documents that Mrs P's ex-husband has been uncooperative and hasn't always been frank in his disclosures, it's evident that the court has considered both parties' financial positions and has had access to evidence that we haven't. So, whilst I trust Santander will take what the court has said into account, there's nothing to suggest that the order is binding on Santander as it was neither a party to the proceedings nor does the order require Santander to only pursue Mrs P's ex-husband. The order simply gives Mrs P a right of recourse against her ex-husband.

In short, I agree with our investigator that there isn't more Santander could have done before Mrs P told them what was going on. And it isn't unfair of Santander to hold Mrs P jointly liable for partnership debts. But I endorse what our investigator said too, namely that I trust Santander will going forwards ensure it offers Mrs P financial support whilst pursuing repayment of the debt in line with the standards of lending practice.

My final decision

My final decision is that it isn't unfair of Santander UK Plc to hold Mrs P jointly liable for partnership debts of A. But it needs to ensure going forwards it offers Mrs P financial support whilst pursuing repayment of the debt in line with the standards of lending practice.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 9 May 2025.

Nicolas Atkinson
Ombudsman